



0000079708

## BEFORE THE ARIZONA CORPORATION COMMISSION

25 FD

## COMMISSIONERS

MIKE GLEASON, Chairman  
WILLIAM A. MUNDELL  
JEFF HATCH-MILLER  
KRISTIN K. MAYES  
GARY PIERCE

2007 DEC 11 P 1:04

Arizona Corporation Commission  
DOCKETED

DEC 11 2007

DOCKETED BY

nr

IN THE MATTER OF THE APPLICATION OF  
LITTLE PARK WATER COMPANY, INC. FOR  
APPROVAL OF AN EXTENSION OF ITS  
CERTIFICATE OF CONVENIENCE AND  
NECESSITY TO PROVIDE WATER SERVICE IN  
YAVAPAI COUNTY, ARIZONA.

DOCKET NO. W-02192A-07-0326

PROCEDURAL ORDER**BY THE COMMISSION:**

On May 24, 2007, Little Park Water Company, Inc. ("Little Park") filed with the Arizona Corporation Commission ("Commission") an application for an extension of its Certificate of Convenience and Necessity ("CC&N") to provide water utility service in Yavapai County, Arizona.

On June 26, 2007, the Commission's Utilities Division Staff ("Staff") filed a Sufficiency Letter in this docket indicating that Little Park's application had met the sufficiency requirements outlined in the Arizona Administrative Code ("A.A.C.").

On July 30, 2007, Little Park filed a corrected legal description for the requested CC&N extension area.

On August 3, 2007, a Procedural Order was issued setting the hearing in this matter for September 24, 2007, and establishing other procedural deadlines.

On August 7, 2007, counsel for Little Park filed a Motion to Continue requesting that the hearing be continued because Little Park's President and sole witness, Stevan Gudovic, was unavailable on September 24, 2007. The Motion also stated that Staff had no objection to a continuance of at least 30 days and stipulated to an extension of the time clock under A.A.C. R14-2-411(C) for the number of days of the continuance.

On September 5, 2007, an Amended Procedural Order was issued continuing the hearing in this matter to November 7, 2007; establishing other procedural deadlines; and extending the time

1 clock accordingly.

2       On October 1, 2007, Staff filed its Staff Report recommending that the Commission issue an  
3 Order Preliminary, rather than a CC&N extension, to Little Park because Little Park's water supply  
4 does not comply with the current U.S. Environmental Protection Agency ("EPA") maximum  
5 contaminant level ("MCL") for arsenic, and Little Park had not yet received from the Arizona  
6 Department of Environmental Quality ("ADEQ") an exemption from the arsenic MCL.

7       On October 15, 2007, Little Park filed an Affidavit of Mailing and Publication showing that  
8 notice of the application and November 7, 2007, hearing date had been mailed to all customers of  
9 record as of October 12, 2007, and that public notice had been published in the *Sedona Red Rock*  
10 *News* on September 19, 2007.

11       On October 23, 2007, in response to a recommendation in the Staff Report, Little Park filed a  
12 proposed Curtailment Tariff.

13       On November 7, 2007, a full public hearing was held before a duly authorized Administrative  
14 Law Judge ("ALJ") of the Commission at its offices in Phoenix, Arizona. Little Park and Staff  
15 appeared through counsel and presented evidence and testimony. No members of the public appeared  
16 to give public comment. At the hearing, the ALJ requested that Little Park file three late-filed  
17 exhibits and that Staff file one late-filed exhibit. At the close of the hearing, the ALJ took the matter  
18 under advisement pending receipt of the late-filed exhibits.

19       On November 8, 2007, Little Park filed the three late-filed exhibits requested by the ALJ: (1)  
20 an August 29, 2007, letter to ADEQ; (2) a November 5, 2007, letter to ADEQ; and (3) a revised  
21 Curtailment Tariff.

22       On November 19, 2007, counsel for Staff filed a Notice of Filing of Late-Filed Exhibits,  
23 including the language of an agreed-upon revision to recommendation number 2 in the Staff Report  
24 and stating that Staff had found Little Park's revised Curtailment Tariff acceptable and recommended  
25 approval.

26       On December 3, 2007, counsel for Little Park filed a letter clarifying that the corrected legal  
27 description filed on July 30, 2007, was only intended to replace the legal description for the  
28 Residential Parcel, not the School Parcel, and that Little Park's intention is to have both the

1 Residential Parcel and the School Parcel included in the CC&N extension area.

2       During the hearing, Mr. Stevan Gudovic, President of Little Park, testified that, because the  
3 CC&N extension area is considered to be commercial property, the Arizona Department of Water  
4 Resources ("ADWR") does not require Little Park to modify the service area boundaries for its  
5 Designation of Adequate Water Supply ("Designation"), but only to report regularly the water  
6 consumed for both the service area and the CC&N extension area. (Tr. at 16, lines 7-25; Tr. at 17,  
7 lines 1-16.) In addition, Mr. Gudovic testified that Little Park cannot request a modification of its  
8 Designation because the CC&N extension area is commercial property. (Tr. at 17, lines 7-16.)  
9 A.A.C. R12-15-715(D) provides, however, that a designated provider may request a modification of a  
10 Designation of Adequate Water Supply at any time pursuant to A.A.C. R12-15-714. Accordingly,  
11 Little Park shall file a document, with legal analysis, supporting citations, and any appropriate legal  
12 argument, either supporting or correcting Mr. Gudovic's testimony related to (1) Little Park's duties  
13 related to its Designation and (2) Little Park's ability to have its Designation modified. In addition,  
14 Staff shall file a response to Little Park's filing, indicating (1) whether Staff agrees with Little Park's  
15 analysis and position concerning its Designation and (2) Staff's current recommendations related to  
16 Little Park's Designation.

17       IT IS THEREFORE ORDERED that Little Park shall make the filing described above by  
18 **January 10, 2008.**

19       IT IS FURTHER ORDERED that Staff shall file its response, as described above, by  
20 **January 31, 2008.**

21       IT IS FURTHER ORDERED that the time clock in this matter is suspended until further  
22 notice.

23       IT IS FURTHER ORDERED that the Ex Parte Rule (A.A.C. R14-3-113—Unauthorized  
24 Communications) continues to apply to this proceeding and shall remain in effect until the  
25 Commission's Decision in this matter is final and non-appealable.

26 ...

27 ...

28 ...

1 IT IS FURTHER ORDERED that the Presiding Officer may rescind, alter, amend, or waive  
2 any portion of this Procedural Order either by subsequent Procedural Order or by ruling at hearing.

3 Dated this 11th day of December, 2007


4  
5   
6 SARAH N. HARPRING  
7 ADMINISTRATIVE LAW JUDGE

8 Copies of the foregoing mailed/delivered  
9 this 11th day of December, 2007 to:

10 Richard L. Sallquist  
11 SALLQUIST, DRUMMOND & O'CONNOR, P.C.  
12 4500 South Lakeshore Drive, Suite 339  
13 Tempe, AZ 85282  
14 Attorney for Little Park Water Company, Inc.

15 Christopher Kempley, Chief Counsel  
16 Legal Division  
17 ARIZONA CORPORATION COMMISSION  
18 1200 West Washington Street  
19 Phoenix, AZ 85007

20 Ernest G. Johnson, Director  
21 Utilities Division  
22 ARIZONA CORPORATION COMMISSION  
23 1200 West Washington Street  
24 Phoenix, AZ 85007

25 By:   
26 Debra Broyles, Secretary to  
27 Sarah N. Harpring  
28